

Statement of
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Department of Veterans Affairs
Before the
Subcommittee on Health
House Veterans' Affairs Committee
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Good afternoon Mr. Chairman. I am pleased to testify today on behalf of the Department of Veterans Affairs (VA) regarding H.R. 4514 entitled, the "Veterans' Major Medical Facilities Construction Act of 2002", authorizing the Secretary of Veterans Affairs to carry out certain major medical construction projects, as well as addressing other matters related to VA's Construction program.

Mr. Chairman, my comments regarding this bill will pertain to the four substantive sections individually, rather than the bill as a whole. With that in mind, let me turn to Section 2, entitled, "Authorization of Major Medical Facility Projects".

Section 2. Authorization of Major Medical Facility Projects

Section 2 of H.R. 4514 would authorize the Secretary to carry out the following ten major medical construction projects:

- Seismic corrections on Building No. 2 at the VA Medical Center in Palo Alto, California in the amount of \$14,020,000;
- Seismic corrections on Building No. 4 at the VA Medical Center in Palo Alto, California in the amount of \$21,750,000;
- Seismic corrections at the VA Medical Center in San Francisco, California, in the amount of \$31,000,000;
- Seismic corrections at the VA Medical Center in West Los Angeles, California, in the amount of \$27,200,000;
- Seismic corrections and clinical improvements at the VA Medical Center in Long Beach, California, in the amount of \$24,600,000;
- Seismic corrections on Building No. 1 at the VA Medical Center in San Diego, California, in the amount of \$47,100,000;
- Construction involving the consolidation of the Ambulatory Surgery and Clinical Care facilities at the VA Medical Center in Cleveland, Ohio, in the amount of \$32,500,000;
- Construction involving the consolidation of VA and DoD health and benefits offices in Anchorage, Alaska, in the amount of \$59,000,000;
- Construction involving the renovation of certain wards at the VA Medical Center in West Haven, Connecticut, in the amount of \$15,300,000; and,
- Construction involving the expansion of the Ambulatory Care facility at the VA Medical Center in Tampa, Florida, in the amount of \$12,400,000.

The first four projects in the bill were also included in the President's FY 2003 budget submission to Congress. The selection of these projects was the result of a thorough capital investment selection process in which specific needs of VA were balanced against the Department's strategic goals, within the parameters of annual budget constraints. The ultimate result of this process was the selection of four major construction projects that VA believes best achieve this balance and that reflect a sound financial investment. Moreover, the projects

selected by the Department are the least likely to be affected by the ongoing CARES process. As you know, the CARES process has been implemented to improve access and quality of veterans' health care through realigning VA's capital assets. CARES is an objective evidence-based evaluation of clinical services required in the year 2020, by market area. We believe it is premature at this time to recommend additional projects.

While I am addressing the projects included in H.R. 4514, I would like to mention that our FY 2003 budget requested authorization for the lease of a satellite outpatient clinic in Charlotte, North Carolina, in the amount of \$2,626,000. We would ask that this authorization be included in the bill when it is marked up.

Section 3. Authorization of Appropriations

Section 3 of the bill authorizes for appropriation the sum of \$285,000,000 for FY 2003 for construction of the ten major medical projects listed in Section 2.

My comment on Section 3 is consistent with my previous comments regarding Section 2. Specifically, since it is VA's determination that only the four projects listed in the President's FY 2003 Budget submission to Congress should be carried out at this time, the amount authorized to be appropriated for fiscal year 2003 for major construction projects should be \$93,970,000 for seismic corrections on Buildings No. 2 (\$14,020,000) and No. 4 (\$21,750,000) at the VA Medical Center in Palo Alto, California; seismic corrections at the VA Medical

Center in San Francisco, California (\$31,000,000); and, Seismic corrections at the VA Medical Center in West Los Angeles, California (\$27,200,000).

The physical infrastructure of the VA health care system is one of the largest in the Federal government. While some VA facilities are relatively new, the average age of VA buildings is 50 years. During the past few years, there has been a reluctance to commit to capital investment out of concern that VA was unsure of facilities that would clearly be needed in the future. As we complete our CARES initiatives that identify options to improve our health care system and provide better access, infrastructure modifications will create a large number of projects for future funding and authorization.

Section 4. Increase in Threshold for Major Medical Facility Construction Projects

Section 4 of H.R. 4514 is entitled Increase in Threshold for Major Medical Facility Construction Projects. Subsection (a) of Section 4 increases the dollar threshold that defines a major construction project from its current dollar amount of more than \$4,000,000 to more than \$6,000,000. Subsection (b) of Section 4 seeks to identify those projects to which the increased threshold applies. VA is currently reviewing Section 4 of the bill and we will provide the Committee with our views on this provision at a later time.

Section 5. Criteria for Minor Construction Projects

Section 5 of H.R. 4514 is entitled Criteria For Minor Construction Projects. The language of this section directs the Secretary to select minor construction projects to improve, replace, renovate, or update facilities to achieve improvements in one or more of five specific areas. While this language may have been included to provide guidance to VA in prioritizing the Department's minor construction projects, it eliminates the discretion that the Secretary now has in identifying those minor construction projects that will best meet the overall needs of the Department. VA's comprehensive process for selecting the minor construction projects that will best fulfill VA's mission makes Section 5 of the bill unnecessary. Accordingly, I strongly recommend that it be removed from H.R. 4514.

This concludes my formal testimony.